

Facilities in Tehri Dam rehabilitation colonies

2822. SHRI RAJNATH SINGH: Will the Minister of POWER be pleased to state:

- (a) whether the street lighting infrastructure in Athurwala Vishapith, Dehradun area of THDC is in bad shape making it unsafe for the residents of the area;
- (b) whether Government propose to install additional street lights in Athruwala area mainly on street No. 8/108;
- (c) whether Government propose to install additional transformers in this area so that stable and regular electricity supply is made available;
- (d) if so, the details of additional transformers installed/proposed to be installed in the area during the last three years; and
- (e) if not, the reasons therefor?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) to (c) Athurwala Vishapith area, Dehradun was developed for resettlement of oustees of Tehri dam project by the Rehabilitation Directorate of govt. of Uttaranchal at the cost of the Tehri Hydro Electric Project. All the infrastructural facilities including electrical system& street lighting etc. were developed and handed over to concerned department of State Govt. The village/area have since been declared as Revenue village and all the public facilities are being maintained by the concerned department of the State Government — the maintenance of electrical system is with the Uttaranchal Power Corporation under the State Govt. of Uttaranchal.

Enron scandal

2823. DR. K. MALAISAMY: Will the Minister of POWER be pleased to state:

- (a) the background and fact of enron scandal occurred in Dabhol Power Corporation leading to an Arbitration Award of \$125 Million to Bechtel and GE.;
- (b) the reaction of Government towards this damaging Award;
- (c) how Government have proposed to pay this award or to salvage the situation; and

(d) whether there is any scope for appeal against the Arbitrator Award?

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE): (a) to (d) On account of certain commercial disputes between Dabhol Power Company (DPC) [sponsored by Enron Corporation, USA (Enron), Bechtel Enterprises Inc. USA (Bechtel), General Electric USA (GE) and Maharashtra Power Development Corporation Ltd. (MPDCL)] and the Maharashtra State Electricity Board (MSEB), the sole offtaker of power from the Dabhol project of DPC, the operations of the project were halted in June 2001.

Consequent upon DPC's main sponsors, Enron and its affiliates filing for bankruptcy under chapter 11 of US Bankruptcy Code, the management of DPC closed all its offices in March 2002. During the subsequent period several litigations in domestic and international courts were instituted by DPC, MSEB, the lenders and other stakeholders to protect their respective interest and/or pursue recovery of their claims in respect of the project.

GE/Bechtel had also initiated arbitration proceedings for claims against Government of India (GOI) under the Indo-Mauritius Bilateral Investment Treaty. Arbitration proceedings for claims against GOI were also initiated under the bilateral agreement between Netherlands and GOI for promotion and protection of investments. Further, Overseas Private Investment Corporation (OPIC), a US Government Agency had also initiated arbitration proceedings for claims against GOI under the bilateral Investment Incentive Agreement between GOI and the USA Government in respect of the political risk insurance claims awarded to GE/Bechtel against OPIC.

The Indian Financial Institutions (IFIs) and Banks which had significant stake in the project, had taken several steps to protect their interest and had obtained several judicial orders to preserve and protect their security interest in relation to the project. The IFIs were continuously engaged with the stakeholders for a comprehensive restructuring & revival of the project.

An impetus to the restructuring and a revival of the Dabhol Project was provided by GOI in October, 2004 with the formation of an Empowered Group of Ministers (EGOM) for facilitating early resolution of issues relating to the Project and a revival plan for the project was developed under the guidance of EGOM.

Given the criticality of GE/Bechtel for the project, settlement with GE/Bechtel was considered an integral part of the restructuring plan. Following the finalization of the restructuring framework, a Negotiating Committee comprising representatives from the Indian lenders (Chairman & Managing

Director, IDBI, Managing Directors SBI, Deputy Managing Director, ICICI Bank) and Advisor to GOI (Managing Director, SBI Capital Markets Ltd) held discussions with various stakeholders including GE/Bechtel. It was agreed that the two parties i.e. GE and Bechtel should reach a settlement on mutually acceptable commercial principles without going through legal arbitration. GE agreed that they would prefer a commercial settlement rather than going through the arbitration route.

The settlement which GE and Bechtel, which was concluded in July 2005, was comprehensive in nature and encompassed all their outstanding claims against all the Indian stakeholders including GOI, GIOM, MSEB and MPDCL. Under the settlement transaction, GE, Bechtel have:

- dropped all their claims against GOI, GOM, MSEB, MPDCL and the IFIs;
- transferred their right title and interests on DPC shares to an Special Purpose Vehicle;
- settled their contractors' claims against DPC' and
- committed to co-operate for the restart and completion of the project.

Financial position of power PSUs

**2824. SHRI TAPAN KUMAR SEN:
SHRI CHITTABRATA MAJUMDAR:**

Will the Minister of POWER be pleased to state:

- (a) the reverse and surplus of Power Grid Corporation, Power Finance Corporation, Rural Electrification Corporation and National Hydroelectric Power Corporation between 31st March, 2005 to 31st March, 2006;
- (b) the debt/equity ratio of these PSEs as on the 31st March, 2006;
- (c) the investment made during the last three years by the above PSEs; and
- (d) the investment plan for the next three years with funding pattern, year-wise?

THE MINISTER OF POWER (SHRI SUSHIL KUMAR SHINDE): (a) to (d) Information is given as under: